

1-1 By: Deuell S.B. No. 1413  
 1-2 (In the Senate - Filed March 7, 2013; March 18, 2013, read  
 1-3 first time and referred to Committee on State Affairs;  
 1-4 April 22, 2013, reported favorably by the following vote:  
 1-5 Yeas 9, Nays 0; April 22, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the administration of retirement systems for paid,  
 1-20 partly paid, or volunteer firefighters.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subsections (a) and (b), Section 19, Texas Local  
 1-23 Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil  
 1-24 Statutes), are amended to read as follows:

1-25 (a) In each municipality and other political subdivision to  
 1-26 which this Act applies and that has a fire department that does not  
 1-27 consist exclusively of volunteers, the fire fighters' retirement  
 1-28 system is governed by a board of trustees consisting of:

1-29 (1) in a municipality, the mayor [of the municipality]  
 1-30 or the mayor's designated representative; in an emergency services  
 1-31 district, the president of the board of emergency services  
 1-32 commissioners; or in another political subdivision, the chief  
 1-33 operating officer [of the political subdivision] or the chief  
 1-34 operating officer's designated representative, as applicable;

1-35 (2) the chief financial officer of the municipality or  
 1-36 other political subdivision or, if there is no officer denominated  
 1-37 as chief financial officer, the person who performs the duties of  
 1-38 chief financial officer or a person designated by the chief  
 1-39 financial officer or by the person performing the duties of chief  
 1-40 financial officer;

1-41 (3) three members of the retirement system elected by  
 1-42 participating members as provided by Subsection (b) of this  
 1-43 section; and

1-44 (4) two persons who reside in this state [~~in the~~  
 1-45 ~~municipality or other political subdivision or within the~~  
 1-46 ~~extraterritorial jurisdiction of the municipality], who are not~~  
 1-47 ~~officers or employees of the municipality or other political~~  
 1-48 ~~subdivision, and who are elected by a majority vote of the members~~  
 1-49 ~~of the board of trustees determined as provided by Subdivisions~~  
 1-50 ~~(1), (2), and (3) of this subsection.~~

1-51 (b) During each period that begins on December 1 of one year  
 1-52 and ends on January 31 of the following year, the participating  
 1-53 members of a fire fighters' retirement system in a municipality or  
 1-54 other political subdivision subject to this section shall elect by  
 1-55 secret ballot and certify to the governing body of the municipality  
 1-56 or other political subdivision a member to the board of trustees to  
 1-57 serve a term of three years. To be elected a member of a board of  
 1-58 trustees under this subsection, a person must be a participating  
 1-59 member of the retirement system and receive a majority of the votes  
 1-60 cast in the election, and at least 50 percent of all participating  
 1-61 members of the retirement system must vote in the election.

2-1 Provided, however, that if only a single person is nominated for the  
2-2 board of trustees position being filled, that person may be elected  
2-3 by acclamation by those participating members present for the  
2-4 election meeting, without the necessity of a secret ballot.

2-5 SECTION 2. Subsection (b), Section 25, Texas Local Fire  
2-6 Fighters Retirement Act (Article 6243e, Vernon's Texas Civil  
2-7 Statutes), is amended to read as follows:

2-8 (b) The annual amount of payments from a fund under this  
2-9 section, excluding legal and medical fees, may not exceed:

2-10 (1) 1 percent of the market [book] value of the assets  
2-11 of the fund for the first \$1 million in market [book] value; and

2-12 (2) 1/4 of 1 percent of the market [book] value of the  
2-13 assets of the fund that exceeds \$1 million.

2-14 SECTION 3. Subsections (b) and (c), Section 30, Texas Local  
2-15 Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil  
2-16 Statutes), are amended to read as follows:

2-17 (b) Contributions picked up as provided by this section  
2-18 shall be treated as employer contributions in determining tax  
2-19 treatment of the amounts under the Internal Revenue Code of 1986.

2-20 ~~[Each municipality or other political subdivision picking up~~  
2-21 ~~contributions shall continue, however, to compute federal income~~  
2-22 ~~tax withholding as if these contributions were employee wages until~~  
2-23 ~~the first payroll period that begins after the date the fire~~  
2-24 ~~fighters' pension commissioner files with the secretary of state a~~  
2-25 ~~notice stating that the United States Internal Revenue Service has~~  
2-26 ~~determined or a federal court has ruled that under Section 414(h),~~  
2-27 ~~Internal Revenue Code of 1986 (26 U.S.C. Section 414(h)), the~~  
2-28 ~~contributions are not includable in the gross income of a member~~  
2-29 ~~until they are distributed or made available.]~~ Employee  
2-30 contributions picked up as provided by this section shall be

2-31 deposited to the credit of the individual account of each affected  
2-32 member and shall be treated for all other purposes of this Act as if  
2-33 the contributions had been deducted from the compensation of  
2-34 members. Picked up contributions are not includable in a  
2-35 computation of contribution rates of the municipality or other  
2-36 political subdivision.

2-37 (c) A pick up of employee contributions takes effect in a  
2-38 municipality or other political subdivision on January 1 of the  
2-39 year following the year in which:

2-40 (1) the governing body of the municipality or other  
2-41 political subdivision by ordinance has adopted the pick up; and

2-42 (2) the pick up has been approved by majority vote of  
2-43 the participating members of the retirement system at an election  
2-44 by secret ballot at which at least 50 percent of the participating  
2-45 members vote[, and

2-46 ~~[(3) the fire fighters' pension commissioner has filed~~  
2-47 ~~with the secretary of state a notice stating that the United States~~  
2-48 ~~Internal Revenue Service has issued a determination that the plan~~  
2-49 ~~covering employees of the municipality or other political~~  
2-50 ~~subdivision is a qualified retirement plan under Section 401(a),~~  
2-51 ~~Internal Revenue Code of 1986 (26 U.S.C. Section 401(a)), and that~~  
2-52 ~~its related trust is tax exempt under Section 501(a) of that code~~  
2-53 ~~(26 U.S.C. Section 501(a))].~~

2-54 SECTION 4. Subsection (e), Section 19, Texas Local Fire  
2-55 Fighters Retirement Act (Article 6243e, Vernon's Texas Civil  
2-56 Statutes), is repealed.

2-57 SECTION 5. This Act takes effect immediately if it receives  
2-58 a vote of two-thirds of all the members elected to each house, as  
2-59 provided by Section 39, Article III, Texas Constitution. If this  
2-60 Act does not receive the vote necessary for immediate effect, this  
2-61 Act takes effect September 1, 2013.

2-62 \* \* \* \* \*